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EIGHTH ANNUAL PROGRESS REPORT TO THE USIB
OF THE
ECONOMIC INTELLIGENCE COMMITTEE

July 1959

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July 1958 - June 1959

Foreword.

The Economic Intelligence Committee (EIC) was established by the Intelligence Advisory Committee (IAC) on 29 May 1951 /IAC-D-22/1 Revised⁷. It functioned under the terms of reference of this document until 10 June 1958 when, concurrently with the revision of DCID 15/1, its terms of reference were revised and reissued as paragraph 3 of DCID 3/1, Production and Coordination of Economic Intelligence. Since 10 September 1958, the EIC has functioned as a Committee of the United States Intelligence Board (USIB). An organizational chart of the EIC as presently constituted is attached.

I. EIC Accomplishments in Fiscal Year 1959.A. Major Interdepartmental Studies.

Two semiannual reports on Sino-Soviet Bloc Economic Activities in Underdeveloped Areas (EIC-R14-S5 and -S6), covering calendar year 1958, and 26 Biweekly Reports on Sino-Soviet Bloc Economic Activities in Underdeveloped Areas (EIC-WGR-1/series), covering FY 1959, were produced. These reports are widely disseminated to US Government departments and agencies, to US missions and commands abroad, and in sanitized form to selected foreign agencies. As a direct and

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important derivative of this research effort a considerable volume of unclassified, but evaluated, data has been made available to such agencies as ICA and USIA. These agencies in turn disseminate this information to non-government consumers.

A Summary Report on Communist China's International Trade and Transport During 1957 and 1958 (EIC-R16) was prepared jointly by the EIC Subcommittees on Transportation and on International Trade and Finance and was approved by the EIC in June 1959. The Summary Report and a program of pre-publication coordination of reports prepared by individual agencies on the subject of China's trade and transportation replaced the earlier EIC-R1 series in accordance with a recommendation approved by the IAC (IAC-M-348, 17 June 1958). The EIC has reviewed this procedure in terms of its effectiveness as a replacement for the EIC-R1-series and recommends to the USIB that the Summary Report and the pre-publication coordination program be continued in FY 1960.

A report on the Policies, Performance, and Prospects of Soviet Agriculture, 1953-65, undertaken by the EIC Subcommittee on Agriculture at the request of the Department of State, was published in May 1959. The study, undertaken largely by CIA with contributions from State, Agriculture, and the National Institute of Health, was published as CIA/RR 59-15. The foreword contains a notation indicating the coordination effected and the reservations of the EIC agencies.

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B. Major Secretariat Activities.

The EIC Secretariat continued its annual compilation and publication of two Survey Listings of Internal and External Economic Research Projects -- on Selected Non-Bloc Areas and on the Sino-Soviet Bloc (EIC-S-31 and S-32). These Surveys list all known US Government-conducted and Government-sponsored economic research on the geographic areas concerned.

In September 1958, the Secretariat published a Survey of Professional Personnel Engaged in Economic Intelligence and Related Economic Research on Sino-Soviet Bloc and Non-Bloc Areas (EIC-S-30). This Survey covers twenty-four US Government departments and agencies concerned with economic research on foreign areas and includes contract personnel as well as government personnel engaged in such research. The Survey, which includes comparisons with similar surveys made in 1953, was designed as an aid to all departments and agencies in providing guidance for the planning and organization of their respective economic intelligence research activities and for obtaining assistance in specified fields from other departments and agencies.

During FY 1959, the Secretariat produced and disseminated a Handbook of the Economic Intelligence Committee containing documents relating to the authority, responsibilities, procedures, and format of the EIC. The Handbook was designed as an aid to the EIC representatives

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and to the Chairmen and Executive ^{Secretaries} of the EIC subcommittees. [redacted]

[redacted]

Following Operation Alert 1958, the EIC established an Ad Hoc Working Group on War Planning. The Working Group prepared a statement of the Organization and Functions of the Economic Intelligence Committee in Wartime, which was approved by the EIC and noted by the USIB (EIC-D-346, 19 January 1959 and USIB-D-7.2/1, 24 February 1959). The Working Group also recommended to the EIC the establishment of a procedure for the rapid compilation of an Inventory of Economic Intelligence Personnel [redacted] Prior to its institution as a regular emergency procedure, the EIC agreed to undertake a test of this procedure in connection with Operation Alert 1959.

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C. Major EIC Subcommittee Activities.

During the Fiscal Year, there was a marked increase in interest and direct participation in the activities of almost all of the EIC subcommittees by the representatives of member and associate member departments and agencies. The result has been a significant improvement in the effectiveness of these subcommittees in carrying out their responsibilities. The following paragraphs contain some highlights of these activities.

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